

Message Text

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TAGS: ECON, AR

SUBJ: GELBARD ADDRESS TO CONGRESS

1. AS PART LABOR DAY CELEBRATION, MIN OF ECON GELBARD GAVE REPORT TO CONGRESS OUTLINING GOVERNMENTS ECONOMIC ACHIEVEMENTS AND PLANS.

2. GELBARD PRESSED THEME OF STRUGGLE OF POPULAR GOVERNMENT AGAINST ANCIENT FORCES OF INTERNATIONAL MONOPOLIES AND OTHER MECHANISMS OF ECONOMIC DEPENDENCE. HE SAID BASIC PREMISE OF GOA POLICY WAS TO PLACE ECONOMY AT SERVICE OF POPULAR CASUE AND CONVERT IT TO ADEQUATE TOOL IN ANTI-IMPERIALIST STRUGGLE.

3. ON FOREIGN INVESTMENT, GELBARD DREW LOUD APPLAUSE WHEN HE SAID THAT FOR FIRST TIME ARGENTINA HAD AUTHENTIC FOREIGN INVESTMENT SUBJECT TO ARGENTINE LAWS AND REGULATIONS. HE SAID PREVIOUS INVESTMENT HAD COME PRIMARILY TO PLUNDER ARGENTINA WITH DECREES AND DECISIONS MADE SECRETLY IN OFFICES OF FOREIGN INSTITUTIONS.

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4. REGARDING EXTERNAL COMMERCE, GELBARD SAID ARGENTINE

OBJECTIVE WAS TO OPEN FRONTIERS TO TRADE WITH ALL COUNTRIES OF THE WORLD. HE POINTED OUT ADVANTAGE OF TRADING WITH COUNTRIES WHICH WERE SO AFFECTED BY ENERGY CRISIS AND WHICH NOT EXPORTING INFLATION. BY EXPANDING TRADE RELATIONS ARGENTINA ABLE TO REDUCE VULNERABILITY TO WORLD ECONOMIC DEVELOPMENTS WHICH IT UNABLE TO CONTROL.

5. GELBARD OF COURSE DEVOTED CONSIDERABLE ATTENTION TO INTERNAL POLICIES INCLUDING SOCIAL PACT AND ROLE OF WORKER IN ECONOMY. HE SAID PRESENT GOVERNMENT HAD INITIATED NEW FORMULA THAT WORKERS SALARIES AUGMENTED BEFORE, AND NOT AFTER PRICE INCREASES. IN INTERPLAY BETWEEN WAGES AND PRICES, DIFFERENCE MUST ALWAYS REMAIN IN FAVOR OF POPULAR FORCES.

6. HE DISMISSED CURRENT ECONOMIC DISTORTIONS AS RESULT OF SPECULATIVE ACTIVITY ON PART OF PARASITES WHICH EXISTED UNDER PREVIOUS SYSTEM. FIRMS THEMSELVES SHOULD EXERCISE SELF-CONTROL TO ENSURE APPROPRIATE FULFILLMENT OF SPIRIT OF PRICE CONTROL PROGRAM. STATE ALSO READY TO COMBAT DISTORTIONS WITH ITS FULL POWER, COUNTING ON SUPPORT OF CGT AND CONSUMERS.

7. FOR FUTURE, GELBARD EMPHASIZED NEED TO FOLLOW ALONG SAME PATH, DEEPENING CERTAIN PROCESSES ALREADY UNDERTAKEN AND CONSOLIDATING STRUCTURAL CHANGE WHICH COUNTRY DESIRES. NEXT FEW MONTHS DO NOT REQUIRE PRIMARILY FURTHER SACRIFICE BUT A RETURN OF GOOD SENSE. WHILE REAL SALARIES OF WORKERS CONTINUE TO RISE, COMPANIES WILL BE ASSURED REASONABLE BENEFITS. MOST SUPPORT NATURALLY WILL BE GIVEN TO THOSE WHO FAITHFULLY FOLLOW PROGRAM OF NATIONAL RECONSTRUCTION AND LIBERATION.

8. COMMENT: SPEECH HIGHLY POLITICAL WITH STRONG ANTI-IMPERIALIST THEME. FINAL COMMENTS MAY INDICATE GELBARD RECOGNIZES NEED FOR SOME ADDITIONAL FLEXIBILITY IN SOCIAL PACT. PERON ENTHUSIASTICALLY APPLAUDED GELBARDS REPORT. HILL

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